

State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 13, 2008

Clement "Ardell" Allred 2759 West 1800 North Clinton, Utah 84015

Subject: Reclamation Surety & Reclamation Contract Required, Tri Valley Construction LCC.,

Red Knoll #1, S0230101, Juab County, Utah

Dear Mr. Allred:

The Division finds your Notice of Intention to Conduct Small Mining for the Red Knoll #1 Mine complete. Prior to conducting mining activities the Division must approve the reclamation surety. The reclamation surety is determined to be \$10,200 for the 2-acre project escalated to year 2011 and \$11,000 Escalated to year 2013.

Small Mine Operation Bond Calculation Worksheet *Project Name S/023/0101*

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Item	Qty l	Unit Cost	Total Cost
1st Acre Disturbance	. 1	\$6,300.00	\$6,300.00
Add'l Acres Disturbance	1	\$3,900.00	\$3,900.00

TOTAL \$10,200.00

5-year escalation (2013)

TOTAL

Item	Qty Uni	it Cost	Total Cost
1st Acre Disturbance	1	\$6,800.00	\$6,800.00
Add'l Acres Disturbance	1	\$4,300.00	\$4,300.00

Please submit the reclamation surety and Reclamation Contract within the next 30 days. No mining related disturbance can be created until the surety is received and approved, and you have received written acceptance from this office as well as other applicable agencies. UTAH

\$11,100.00

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The reclamation surety can be submitted in one of several forms, including cash, an irrevocable letter of credit, a certificate of deposit, or a surety bond. Please contact Jed Pearson at (801) 538-5382 or e-mail bondcoordinator@utah.gov for assistance in completing this requirement.

Thank you for your cooperation to help finalize this permitting action. In reply, <u>please</u> refer to file number S/023/00101.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

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SMW:LAH:pb
Task ID# 2402
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